
Committee on Sanitary and Phytosanitary Measures

SUMMARY OF THE MEETING OF 11-12 OCTOBER 2006

Note by the Secretariat¹

Table of Contents

	<u>Page</u>
I. ADOPTION OF THE AGENDA.....	3
II. ACTIVITIES OF MEMBERS.....	3
III. SPECIFIC TRADE CONCERNS	5
(a) New issues	5
(b) Issues previously raised	9
(c) Consideration of specific notifications received.....	10
(d) Information on resolution of issues.....	10
IV. OPERATION OF TRANSPARENCY PROVISIONS	11
V. IMPLEMENTATION OF SPECIAL AND DIFFERENTIAL TREATMENT	12
(a) Chairman's report on informal meeting	12
(b) Other matters relating to special and differential treatment.....	13
VI. EQUIVALENCE – ARTICLE 4.....	14
(a) Information from Members on their experiences	14
(b) Information from relevant observer organizations.....	14
VII. PEST- OR DISEASE-FREE AREAS (ARTICLE 6).....	14
(a) Chairman's report on the informal meeting on regionalization.....	14
(b) Information from Members on their experiences	16
(c) Information from relevant observer organizations	17
VIII. TECHNICAL ASSISTANCE AND COOPERATION	17
(a) Information from the Secretariat.....	17
(b) Information from Members.....	18
(c) Information from relevant observer organizations.....	18

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights or obligations under the WTO.

IX.	ISSUES ARISING FROM THE REVIEW OF THE OPERATION OF THE SPS AGREEMENT	19
(a)	Chairman's report.....	19
X.	MONITORING OF THE USE OF INTERNATIONAL STANDARDS	20
(a)	New issues	20
(b)	Issues previously raised	21
(c)	Information from relevant observer organizations.....	21
XI.	TRANSITIONAL REVIEW UNDER PARAGRAPH 18 OF THE PROTOCOL OF THE ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA.....	21
XII.	MATTERS OF INTEREST ARISING FROM THE WORK OF OBSERVER ORGANIZATIONS	26
XIII.	OBSERVERS – REQUESTS FOR OBSERVER STATUS	27
XIV.	CHAIRPERSON'S ANNUAL REPORT TO THE COUNCIL FOR TRADE IN GOODS	27
XV.	OTHER BUSINESS.....	27
XVI.	DATE AND AGENDA FOR NEXT MEETING.....	29

I. ADOPTION OF THE AGENDA

1. The Committee on Sanitary and Phytosanitary Measures (the "Committee") held its thirty-seventh meeting on 11-12 October 2006. The agenda proposed for this meeting, circulated on 29 September 2006 (WTO/AIR/2901), was adopted with amendments.

2. Delegates to the meeting received a publication containing a compilation of the Committee's main decisions and other useful documents. The compilation is also available from the SPS home page on the WTO website: http://www.wto.org/english/tratop_e/sps_e/sps_e.htm

II. ACTIVITIES OF MEMBERS

United States – Actions regarding BSE

3. The representative of the United States stated that on 20 July 2006, the US Department of Agriculture announced that it was transitioning to an ongoing maintenance surveillance programme for BSE after having established through enhanced surveillance that there was an extremely low prevalence of the disease in the United States. The new level of surveillance continued to exceed the international guidelines by the OIE and was designed to detect BSE at a rate of one infected animal per one million adult cattle with a high degree of confidence. The United States also maintained a comprehensive system of interlocking safeguards, including the banning of specified risk materials from the food supply and a ruminant-to-ruminant feed ban. The United States was awaiting the results of the evaluation and BSE risk status classification by the ad hoc expert group and Scientific Commission of the OIE. The representative of the United States called on all Members to consider the available scientific evidence demonstrating the safety of US beef and cattle and to modify their import policies to remove unjustified BSE-related bans.

United States – Update on pesticide reassessment programme

4. The representative of the United States reported that the US Environmental Protection Agency (EPA) on 30 August 2006 had completed a ten-year review of 231 food use pesticides that resulted in significant changes to how these chemicals were regulated in the United States. The EPA had also announced plans to commence a new registration review programme, which would allow for the review of each pesticide registration in the United States approximately every 15 years.

5. With regards to the Food Quality Protection Act (FQPA), the representative of the United States noted that the FQPA had dramatically changed the safety standards used by EPA in evaluating potential risks, especially for infants and children. The law that had also enhanced the transparency of the US pesticide review programme, encouraging the participation of all stakeholders in the review process. The EPA, earlier this year, announced that it had completed over 9,637 or 99 percent of the required tolerance reassessments. The review process had resulted in the revocation or modification of nearly 4,000 food tolerances and the confirmation of the safety of 5,237 tolerances, thereby improving food safety and human health protection in the United States.

6. The EPA began a new registration review programme in October 2006, under which it planned to make decisions on an average of 45 registration review cases – or about 70 pesticide active ingredients – each year. This was similar to the ten-year programme just completed and the EPA would request public comments on a pesticide case docket. Trading partners would again be encouraged to submit relevant data or information for consideration by EPA during the comment period. The representative of the United States further noted that the new registration review programme ensured that as the ability to assess risk evolved and as policies and practices changed, all registered pesticides continued to meet the statutory standard of no unreasonable adverse effects.

More information about the programme was available in the notification to the WTO (G/SPS/N/N/USA/1391) and on the EPA.gov website.

European Communities – Update on the Bluetongue situation

7. The representative of the European Communities recalled that Bluetongue was an insect-prone viral disease which affected domestic and wild ruminants. The disease did not affect humans and there was no risk of the disease being contracted or spread through meat or milk. In recent years, the disease had been frequently reported in southern Europe, mainly in parts of Italy and Spain, but it had never before occurred in central or northern Europe. Therefore the confirmed outbreak of Bluetongue in sheep in the southern parts of the Netherlands on 18 August 2006 had been surprising. On 21 August 2006, the disease was also confirmed in sheep and cattle holdings in Belgium and Germany, close to the Dutch outbreaks. The representative of European Communities indicated that all affected countries had taken the necessary measures of establishing a 20 km control zone around the infected farms and 150 km protection and surveillance zones as laid down in EC legislation. The Bluetongue virus was identified as serotype 8 of Sub-Saharan lineage on 28 August 2006 although the precise origin and the way the virus was introduced into Europe was not yet known. On 21 August 2006, the virus was confirmed in cattle in France close to the border with Belgium, in region within the 150 km surveillance zone in response to the former outbreaks. The last outbreaks in France were confirmed on 5 September 2006 and since then no further outbreaks had occurred in France.

8. The representative of the European Communities stressed that stringent measures had been taken in line with the Communities' legislation to control and prevent the disease from spreading further. This included movement restrictions of live animals to disease-free zones both from the infected area and from surveillance zones of 150 km surrounding the outbreaks. The European Communities regretted that some Members had imposed import restrictions on live bovines on account of the occurrence of the Bluetongue virus. He further noted that serotype 8 had not been detected outside the currently restricted zones in the Netherlands, Belgium, Germany and France. In accordance with OIE standards, trade restrictions from the zones in question should only concern live ruminants or their genetic material.

European Communities – Update on the avian influenza situation

9. The representative of the European Communities recalled that it had been providing information on the avian flu situation since the start of the epidemic of pathogenic avian influenza H5N1 in February 2006. By June 2006, a total of 13 EC member States had been affected by avian influenza outbreaks, all of which had their origins in wild birds. The representative of the European Communities observed that a decline of the epidemic in wild birds continued over the summer months, perhaps reflecting migratory patterns. Since June 2006, a single case of the H5N1 had been detected in a wild duck in Spain and another in black swan Germany, bringing the total of EC affected member States to 14. The outbreaks in France, Sweden, Germany and Denmark were not in densely populated poultry areas and were all swiftly eradicated, while the outbreak in Hungary was limited to one province only. Only five EC member States had been affected by outbreaks in poultry flocks. No human cases had been reported.

10. Regarding the measures in place, the representative of the European Communities indicated that the comprehensive security, surveillance and control measures in EC legislation helped to prevent the disease from spreading further. A high level of alertness had been maintained across Europe as the disease continued to be reported in poultry and other birds in several Asian, African and non-EC countries. The representative of the European Communities noted with regret that the very high level of surveillance and transparency in its measures had paradoxically also led some WTO Members to

adopt unjustified and disproportionately restrictive trade measures, and that these be lifted without delay.

Brazil – Information on foot and mouth disease (FMD) and Newcastle disease

11. The representative of Brazil reported that the animals involved in the FMD outbreak had been destroyed, test animals for monitoring purposes introduced, the rural properties affected re-populated, and a new epidemiological investigation carried out to confirm the eradication of the outbreak. The ban on three municipal areas of the State of Mato Grosso do Sul had been lifted based on OIE and PANAFTOSA analysis and assessment used in the detection of reactivity to non-structural proteins of the FMD virus. The use of multiple vaccinations had affected the results of the investigation in the State of Paraná but restrictions had been totally suspended in three out of four of the municipal areas affected, after the sero-epidemiological assessment of the re-populated areas.

12. With regards to the outbreak of Newcastle disease diagnosed in the State of Rio Grande do Sul on the 4 July 2006, the representative of Brazil reported that Brazil had ensured the eradication of the disease and all sanitary restrictions adopted during the outbreak had been suspended as of the 14 September 2006. All the animals were destroyed and intensive surveillance, inspection and testing efforts, as well as transit restrictions on the susceptible live animals and products, had been adopted around the areas of the outbreak. This had prevented the disease from spreading further and the absence of the Newcastle disease virus was confirmed by results of investigations carried out on test animals thus making it possible to lift these sanitary restrictions. In the course of these outbreaks, Brazil had complied with all its obligations in promoting transparency and security in international trade. In response, Brazil expected trading partners to adopt sanitary measures compatible with international rules and to avoid undue restrictions to Brazilian products.

Columbia – Statement on the strengthening of SPS measures in Columbia

13. The representative of Columbia reported on the progress made in the application of the SPS Agreement and the overall strengthening and updating of their sanitary and phytosanitary system, particularly with regards to products in international trade. In September 2005, Columbia's National Council for Economic and Social Policies adopted a National Policy for Agricultural Health and Food Safety (CONPES 3375). A National SPS Council were also established by Decree 2833 on 23 August 2006. This SPS Council was made up of the Ministries of Agriculture and Rural Development, Social Protection, Environment, Trade, Industry and Tourism and the National Planning Department. The Council could establish technical groups to deal with animal health, plant health and food safety. The national policy aimed at updating and strengthening the institutional aspects of the SPS national system, improving the operative structure with a focus on risk analysis approaches, and the implementation of a transitional plan to ensure the effective functioning of the system. An investment of around US\$ 80 million over the period of 2006–2010 was required for Columbia to meet its goals.

III. SPECIFIC TRADE CONCERNS

(a) New issues

Indonesia's lack of recognition of pest-free areas – Concerns of the United States

14. The representative of the United States expressed concerns regarding Indonesia's Decree 37 (G/SPS/N/IDN/24), implemented in March 2006, which established new phytosanitary requirements on fruit imports that failed to recognize fruit fly-free areas in the United States. For decades, US fruits originating from pest-free areas had been shipped to Indonesia without any quarantine incidence. The new measure had resulted in US fresh fruit being subjected to unwarranted pest

treatment before being exported to Indonesia. The representative of the United States noted that the International Standards for Phytosanitary Measures (ISPM) guidelines used by the United States were recognized by their trading partners worldwide, but Indonesia had failed to amend its assessment of the fruit fly status in the United States even after the United States had extensively communicated and provided Indonesia's Ministry of Agriculture with the information requested. She further noted that the measures imposed by Indonesia for quarantine fruit flies were overly restrictive and scientifically unjustified and had impacted exports of eleven types of US fruits, including apples and grapes. She requested Indonesia to allow the entry of US grapes accompanied by a Federal phytosanitary certificate and additional documentation attesting that the grapes were grown in a fruit fly-free area.

15. The representative of Australia shared the concerns of the United States. Australia was working directly with Indonesia and hoped to resolve the issue in the near future.

16. The representative of Indonesia reported that the issue had been discussed with the United States in a bilateral meeting. Based on their discussion, Indonesia was confident that the matter would be resolved amicably in the near future. Indonesia was to send an expert team to do an on-site inspection for a Mediterranean fruit fly-free area for grapes in the State of California. Indonesia needed further information on the sites to be visited including the production area of grapes in specific sites in California, substantial geographical information, a list of registered grape growers in the production area of California, information on surface processing, packaging and storage facilities, and the procedure of phytosanitary certification. Indonesia reiterated its commitment in resolving the matter as early as possible and in a mutually beneficial manner.

Indonesia's legislation on importation of live animals and meat products – Concerns of Brazil

17. The representative of the Brazil expressed concern regarding Indonesia's Government Regulation 82/2000 applicable to quarantine import procedures for animals and related products. He noted that Regulation 82/2000 did not comply with the regionalization provisions of Article 6 of the SPS Agreement or with Chapter 1.3.5 of the OIE Territorial Animal Health Code as it did not take into account the sanitary characteristics of the areas from which the products originated, and required the whole territory of an exporting country to be free of any diseases that were not present in Indonesia. As a result of Indonesia regulation, Brazil was frequently facing import restrictions on a broad variety of its products on the basis of the food-and-mouth disease (FMD), even from FMD-free zones. In particular, there was no scientific justification for import restrictions on goods which could not under any circumstance transmit the FMD agent, meat products submitted to treatments which were internationally recognized as capable of inactivating the FMD virus, and restrictions on heat-treated vegetable products. These unjustified import restrictions resulted in huge financial losses. The representative of Brazil urged Indonesia to adopt national protection levels based on risk assessments, taking into account the relevant provisions of the SPS Agreement and OIE standards. The representative of Argentina shared the concern of Brazil and urged Indonesia to adjust its risk analysis to the OIE standards.

18. The representatives of Australia and New Zealand expressed similar concerns regarding the Indonesia's draft Regulation (G/SPS/N/IDN/30) on the importation of meat products. They both indicated their intentions to submit comments on the draft regulation before the comment deadline. New Zealand further noted that Indonesia had not indicated in its notification when the draft Decree might be adopted. They encouraged Indonesia to work with other Members to address their concerns before adopting the draft Decree. Australia said it was working closely with Indonesia and hoped to resolve any concerns with the new regulations in the near future.

19. The representative of Indonesia noted that with regards to the importation of live animals and meat products, Indonesia had been conducting a review on its legislation and would soon notify to the WTO a new decree on import of meat of various types of species. The new regulation replaced the

existing regulation (Decree 745/1992) on the requirements of meat importation. One of the eventual requirements for countries to be eligible to export meat and meat products intended for human consumption to Indonesia was their FMD-free status. Recognition of the disease-free status would be based on an OIE declaration. A further requirement for FMD-free countries to export meat to Indonesia would be a desk audit and on-site audit to be carried out by the Director General of Livestock Services (DGLS). In relation to animal importation, existing regulation would remain in effect.

20. With regards to BSE, the representative of Indonesia stated that the requirements for the importation of live ruminants and ruminant products from countries or zones declared as negligible BSE risk by the OIE had been set out in a new decree. In principle, under the new regulation, live ruminants and ruminant products from countries or zones declared as negligible BSE risk by the OIE were allowed to be imported to Indonesia. Imports of meat and meat products from BSE-risk countries were prohibited. However, there were exceptions that included meat and meat products originating from de-boned meat as specified in Article 2.3.1.3.1 of OIE Code. The additional requirements to export meat and meat products to Indonesia were that such commodities should have originated from an establishment approved by the DGLS and also met the healthy food requirement of Indonesia.

21. Following Indonesia's submission, the representative of the OIE clarified that Article 1 of the BSE chapter contained a list safe commodities that were judged to present no BSE risk no matter the BSE status of the exporting country. This included de-boned skeletal muscle meat that could be imported from a country irrespective of its BSE status.

India's import restrictions on exports of live horses – Concerns of the European Communities

22. The representative of the European Communities raised concerns regarding India's import conditions for live horses from some EC member States on the basis of Contagious Equine Metritis (CEM). India's requirements that allowed only for the importation of breeding horses from countries which had been free of CEM for a minimum of three years was not based on standards and recommendations, in particular Article 2.5.1.1 of the OIE Terrestrial Animal Health Code which set conditions of live horses to be exported safely in respect of CEM. India had not provided any scientific justification for import requirements containing higher protection measures than reflected in international standards, and thus was not complying with Article 3.3 of the SPS Agreement. Despite numerous bilateral discussions on the issue during 2005 and 2006, no progress had been made. No response had been received to a document submitted by the United Kingdom in January 2006 with further scientific evidence that export of breeding horses from that country posed no risk for the Indian equine population. The representative of the European Communities urged India to bring their import requirements for CEM in line with OIE recommendations.

23. The representative of India stated that India allowed the import of live horses, including breeding horses, under existing health protocols. Although it was free from CEM, India allowed imports of male horses less than seven years of age and female horses less than five years of age. The representative of India indicated that some CEM-positive countries from the European region were regularly exporting live horses to India. With regard to the OIE guidelines, consultation with the relevant technical experts was being done and a report on the issue was expected very soon. India was willing to discuss the issue bilaterally with the European Communities.

24. The representative of the European Communities stressed the fact that some EC member States were experiencing restrictions on the export of live horses to India, and welcomed the opportunity for further bilateral discussions.

Romania's restrictions on pork and poultry imports – Concerns of the United States

25. The representative of the United States expressed concern about Romania's decision to already impose European Communities (EC) requirements on US poultry and pork. She noted that no poultry and only two pork facilities in Romania met EC requirements. Romania's measures therefore raised potential national treatment concerns with huge financial losses given that a considerable number of Romanian meat plants were currently not in compliance with the EC regulations and many of the plants had been granted a transition period to 2009 to meet these requirements.

26. The representative of Romania expressed surprise that the United States had raised this issue as an acceptable solution to both parties had been sought during a series of bilateral meetings. Although Romania had decided to extend the implementation date of these regulations for US exports, the new regulations were adopted as part of the requirements for Romania's accession to the European Communities. According to the Accession Treaty signed on 25 April 2005, Romania had committed to adopt the EC legislation and was expected to fully comply with SPS legislation already in force in the European Communities before its accession on the 1 January 2007. The representative of Romania noted the difficulty it faced in modifying and implementing these new rules, but indicated that Romanian producers observed the same rules as other EC member States and third countries. To ensure transparency and give Members the opportunity to prepare for the new import conditions, all Romanian legislation on import conditions for pork and poultry meat had been notified to the SPS Committee.

27. The representative of the European Communities suggested that the United States look at the broader benefits of Romania's and Bulgaria's accession to the European Communities. This was fully supported by the global community and provided an outstanding opportunity for the Members concerned to strengthen economic growth and development.

EC restrictions on US poultry exports – Concerns of the United States

28. The representative of the United States raised concerns regarding the delay by the European Communities to finalize and implement a draft regulation that approved antimicrobial treatments (AMTs) on poultry subject to certain restrictions. She recalled that in August 1997, the European Communities stopped imports of US poultry meat on the basis of the use of AMTs in its production. However, in January 2006 the European Food Safety Authority (EFSA) had concluded that the antimicrobial washes at issue were safe, confirming an April 2003 opinion by the EC scientific committee on veterinary measures related to public health. Despite the decision by the European Communities to propose new legislation that provided the framework to approve these products for use on poultry, the European Communities had yet to approve importation of poultry treated with these products. The representative of the United States urged the European Communities to authorize these products so that US poultry exports which met rigorous US safety standards could also meet EC standards.

29. The representative of the European Communities appreciated the US concerns regarding the delay but noted that it was important that the genuine and long-standing concerns in the European Communities over the use of AMTs were taken fully into account in the approval process. The circumstances that led to the effective ban on poultry meat from United States in 1997 did not relate exclusively to AMTs. The use of AMTs in food of animal origin was not permitted at present in the European Communities *inter alia* because of concerns that the use of such treatments could disguise other hygiene problems. The representative of the European Communities expressed disappointment that while it was possible for US exports to meet EC hygiene requirements without the use of AMTs, the United States was still insisting on the use of these products. The European Communities was in the process of finding a solution and this included a recent decision in principle that AMTs could be used to tackle surface contamination. A draft regulation had been prepared which allowed for the use

of such substances under specific conditions. The European Communities was still identifying the specific conditions to accompany the draft regulation, in order to ensure that AMTs were not used to hide other problems, however the representative of the European Communities expressed hope that bilateral information exchanges with the United States could lead to a mutually agreeable solution.

(b) Issues previously raised

Australia's import restrictions on New Zealand apples – Concerns of New Zealand (no. 217–G/SPS/GEN/204/Rev.6)

30. The representative of New Zealand recalled that this concern had been raised at many previous meetings of the SPS Committee. In December 2005, Australia released a third revised draft Import Risk Analysis (IRA) for New Zealand apples, and New Zealand, in consultation with their pip fruit industry, had provided a comprehensive submission to Biosecurity Australia on this revised draft. The representative of New Zealand noted that since June 2006, Biosecurity Australia had completed its consideration for stakeholder comments on the revised draft and a final draft report had been referred to Australia's Eminent Scientific Group (ESG), which had also finished its consideration of the draft final report and made recommendations to Biosecurity Australia. He noted that New Zealand had not received these recommendations and therefore urged Australia to make them available in the interest of transparency. While New Zealand was reassured by the progress made in finalizing the issue with Australia, it still had concerns regarding the content and substance of the draft IRA. Australia still maintained that matures apples were a vector for the fire blight disease, irrespective of the science considered in the Japan apples dispute which had demonstrated that the risk was negligible. New Zealand was also concerned about the pests and diseases addressed by Australia in the revised import risk analysis and hoped that the volume of imports assessed in the final IRA would take into account only trade from New Zealand. New Zealand indicated its commitment to resolving the issue bilaterally with Australia, but was prepared to explore other dispute settlement options under the WTO system if the issue was not resolved in the near future.

31. The representative of the United States shared the concerns of New Zealand and indicated that the United States had also provided a comprehensive submission to Biosecurity Australia on its revised draft IRA. The United States expected that Australia's final policy determination for New Zealand would be consistent with the wealth of scientific evidence available on the issue and the legal record established by the WTO dispute settlement process.

32. The representative of Australia reported that in accordance with Australia's normal procedure, the draft final IRA was sent to the independent Eminent Scientific Group (ESG) on 1 August 2006 for review. That group had 60 days to conduct its review and as indicated by New Zealand, the ESG had completed the review and the report had been transmitted to Australia's Director of Animal and Plant Quarantine. Biosecurity Australia was expected to take into account any recommendations made by the ESG in producing its final IRA report and the report would be published. The representative of Australia further noted that the final IRA could be appealed on the basis of any problems with the process but not in terms of the actual science in the report. Once any appeal process had been completed, a final report and recommendations would be provided to the Director of Animal and Plant Quarantine for a final quarantine policy determination. The whole process was expected to be completed by the end of 2006 and Australia indicated that the recommendations made by the ESG would be conveyed in an appropriate fashion as determined by the Director of Animal and Plant Quarantine.

Dominican Republic tolerance levels for soil content on potato tubers – Concerns of Canada

33. The representative of Canada reported that they had held bilateral meetings to discuss the Dominican Republic's requirements for Canadian potato. In September 2006, the Dominican

Republic sent representatives to Canada to get first-hand information on Canadian potato production, distribution and transportation systems and to take samples for testing. At the conclusion of the visit, Canada thought they had reached an agreement on the conditions for Canadian potato exports to the Dominican Republic. However, there had been no agreement on acceptable soil tolerance levels as a result of miscommunication of the results of the September meeting. Canada was interested in continuing the technical discussion on the issue and hoped that the issue could be resolved on the basis of acceptable international practices for soil tolerance.

34. The representative of the Dominican Republic observed that following the recommendations of a multidisciplinary team of experts working on potato certification and phytosanitary measures, they had agreed on a soil tolerance level of one gram of soil per kilo of potato for consumption and five grams of soil per kilo of seed potato. Canadian and Dominican Republic experts agreed that over the next two years the situation was to be carefully monitored and that it might be possible to increase the soil tolerance level to 85 grams of soil per kilo of potato. However, the representative of the Dominican Republic agreed that there had been miscommunication and expressed their desire to continue monitoring the situation while hoping that an understanding could be reached at a bilateral level.

(c) Consideration of specific notifications received

35. No Member raised concerns related to a specific notification.

(d) Information on resolution of issues

Chile's restrictions on imports of wheat and fruits

36. The representatives of the United States and of Chile informed the Committee that following bilateral discussions held in August 2006, the concerns raised in 1997 regarding Chile's restrictions on the importation of US fruit had been resolved (no. 16 - G/SPS/GEN/204/Rev.6).

Import restrictions on live birds, meat, meat products and other derivatives due to avian influenza

37. The representative of the European Communities informed the Committee that regarding concerns raised in 2005 and 2006 denouncing unjustified import restrictions on EC exports of poultry and poultry products on the basis of avian influenza, a significant number of WTO Members had lifted their bans on EC products according to international standards. He noted that some Members however, still had in place and that the European Communities would continue to seek the lifting of these import restrictions (no. 234 - G/SPS/GEN/204/Rev.6).

European Communities import restrictions on cinnamon

38. The representative of Sri Lanka indicated that through bilateral discussion, concerns regarding the issue of EC restrictions on the importation of cinnamon had been resolved to their mutual satisfaction. He informed the Committee that in July 2006, an international standard for cinnamon was established and it had also been approved by Civil Society Coalition (CSC) in Geneva. He noted that these issues had been resolved through the cooperation of the European Communities (no. 230 - G/SPS/GEN/204/Rev.6/ Add.1).

Revision of document G/SPS/GEN/204

39. The Secretariat recalled that a seventh revision of document G/SPS/GEN/204 would be produced in advance of the March meeting of the Committee. This revised document would include all of the new issues, discussions and progress that had been made on issues previously raised, and the

resolutions of any issues that had been reported during 2006. The Secretariat requested Members to bring to its attention any errors or corrections that needed to be made to the document, and thanked the representative of Korea for its assistance in this regard.

Informal information sessions

40. The Chairman briefly reported on the information sessions held prior to the meeting. With regard to private and commercial standards, he recalled that the issue was first raised at the meeting of 29-30 June 2005 by Saint Vincent and the Grenadines, particularly relating to the EurepGAP scheme. He noted that participants had appreciated the opportunity to improve their understanding not just of the EurepGAP scheme, but also to gauge the economic impact of over 400 private schemes which were in operation. Members had raised a number of questions related directly to the work of the Committee to Mr. Hoffman of UNCTAD and Mr. Garbutt of EurepGAP.

41. The representative of Saint Vincent and the Grenadines indicated that their concerns with respect to the EurepGAP issue remained the same. The cost implications of these private standards, which were often of greater rigidity than the internationally set standards, were very large, especially for small farmers in small and vulnerable economies. Argentina, Belize, Cuba, Dominica, Egypt, Indonesia, Kenya and South Africa shared the concerns of Saint Vincent and the Grenadines and suggested that the issue of private and commercial standards in general should be included on the agenda of the next SPS Committee meeting.

42. The Chairman suggested that to move forward on the issue of private standards, Members could prepare contributions with specific examples of their experiences for a substantial discussion at the next meeting.

43. With regards to the information session with the CBD Secretariat, the Chairman noted that a number of Members had agreed with the view of the CBD Secretariat that measures to address invasive alien species fell within the scope of the SPS Agreement. The Secretariat had confirmed that this was the stated intention of the negotiators of the SPS Agreement. Many Members had also agreed that international standards to address invasive alien species that were not within the scope of the IPPC could be desirable. They suggested that this issue be discussed by a joint meeting of OIE, IPPC and the CBD Secretariats.

IV. OPERATION OF TRANSPARENCY PROVISIONS

44. The Chairman drew attention to the most recent list of national notification authorities contained in G/SPS/NNA/10; the most recent list of national enquiry points contained in G/SPS/ENQ/20; and notifications received since the last meeting of the SPS Committee summarized, on a monthly basis, in G/SPS/GEN/715, G/SPS/GEN/721 and G/SPS/GEN/723. The Secretariat urged Members to ensure that their information on enquiry points and on notification authorities was correct.

45. The Secretariat reported on the development of the SPS information management system (SPS-IMS) for SPS notifications, specific trade concerns and other Committee documents. A first phase of this project would help the Secretariat prepare notifications and make better and more efficient use of the information available. A second phase would enable Members to conduct searches that went beyond what was currently possible in the Documents Online system on the WTO website. Eventually, Members would be able to submit notifications online directly. The Secretariat was presently testing the first phase; the second phase would begin when the first phase was fully operational. The Secretariat expectation was that the system will improve the efficiency and speed of anyone working with SPS-related documents. Unfortunately, the project was taking longer than expected and the Secretariat was seeking administrative and technical arrangements and solutions

with other units, which were not yet finalized. However, the Secretariat indicated that it was in a position to show the structure and functioning of the system to any delegations interested. The Secretariat expressed particular appreciation to the United States for their financial assistance on the project.

46. The representative of Cuba thanked the Secretariat and Members for their efforts and expressed support for the SPS-IMS project.

V. IMPLEMENTATION OF SPECIAL AND DIFFERENTIAL TREATMENT

(a) Chairman's report on informal meeting

47. The informal meeting on Special and Differential Treatment was devoted to discussion of the background paper by the Secretariat on technical assistance (document G/SPS/GEN/726). The document is based on an overview of SPS-related technical assistance as reported to the WTO/OECD trade capacity building database in the period 2001-2006. This data concerns the provision of SPS-related technical assistance. In addition to a general overview of the data, the document also examines the provision of technical assistance to those 33 Members who had replied to the questionnaire circulated to the SPS Committee, as recorded in the database. Finally, on the basis of evaluation forms collected from participants at WTO workshops and a very limited survey of projects logged in the database, some very preliminary analysis on the effectiveness of technical co-operation was undertaken.

48. In presentation of the document, the Secretariat highlighted the following:

- Firstly, the data itself could be collected, presented and managed in a more user-friendly manner;
- Secondly, the data set had improved as a result of Secretariat efforts and Members' reporting on their own technical co-operation activities to the SPS Committee. However, the picture of technical assistance captured by the database was still a partial one;
- And thirdly, there was very little information on the effectiveness of technical assistance offered. Aside from the evaluation of WTO activities, the data presented in the document could be considered anecdotal at best and did not capture the views of recipients.

49. On the issue of how to improve data collection, the Secretariat had stated that full reporting on SPS-related technical assistance to the WTO-OECD trade capacity building database was the best solution. However, given the existing under-reporting by Members, specific reporting to the SPS Committee had allowed the Secretariat to verify that activities had been logged in the database. One particularly helpful action in this regard would be to identify the monetary values of individual projects as well as of overall programmes.

50. The data provided a preliminary indication that technical assistance was regularly offered by donors in response to requests from beneficiaries – although sometimes this occurred in the context of overall programmes developed by donors. There was no indication as to whether or not assistance was fully or partially funded. Certain of the geographical categories merited further explanation. There was no reporting of technical assistance offered by developing countries to other developing countries. The Secretariat had noted furthermore that the data had not been analyzed according to the typology of assistance given in document G/SPS/GEN/206.

51. One Member had observed that the document could not be considered an authoritative overview of the current provision of technical assistance. The fact that only partial data was available

for 2005 and 2006 gave a misleading picture in this regard and the Member had expressed concerns about the further use of the document. In that Member's view, the most useful elements of the document were the tables on technical assistance to specific Members having replied to the technical assistance questionnaire. Another Member had questioned the sample survey results presented in the document, recalling the earlier criticism of assistance as supply-driven and ineffective.

52. One theme which had come out clearly from interventions was the need for further work on evaluating the effectiveness of assistance. Understanding the provision of assistance was useful, but understanding how that assistance could be made effective was essential. The usefulness of the workshop on implementation held in March 2006 had been noted in this regard.

53. The Chairman noted that in closing the informal meeting, he had placed the Secretariat document in the context of the Committee's report on S&D (G/SPS/GEN/36) and actions which the Committee could take which would assist implementation by developing countries.

(b) Other matters relating to special and differential treatment

54. The Chairman reported that following discussions in the June meeting of the Committee, regarding the proposal from a number of small and vulnerable economies (WT/COMTD/SE/W/16/Rev.1), he had reported to the Chairman of the Committee on Trade and Development (CTD) Dedicated Session on Small Economies. On the 29 September 2006, the CTD Dedicated Session adopted a report on Measures to Assist Small Economies in meeting their obligations under the Agreements on SPS Measures, TBT and TRIPs. The report had been circulated as document WT/COMTD/SE/5, and was submitted to the General Council for consideration at its meeting on 10 October 2006. The Chairman noted that in endorsing the report, the General Council had *inter alia*, agreed that small economies were allowed to use regional bodies to assist them in the implementation of their obligations under the SPS Agreement. The General Council recommended that Members, when providing technical and financial assistance to support small and vulnerable economies in fulfilling their rights and obligations under the SPS Agreement, should consider the advantages of providing that assistance to a designated regional body where such exists.

55. Finally, the Chairman welcomed efforts made to improve the implementation of the SPS Agreement and expressed hope that the Committee would provide whatever support it could to Members in this regard. He observed that it was very important for Members to take note of the fact that the proposal was from another body of the WTO but certainly had implications for the SPS Committee. The proposal, however, did not imply any modification of the SPS Agreement.

56. The representative of the United States recalled that when the Committee met in June 2005, it had a good discussion about the proposal. She noted that some concerns were raised and requested information regarding the process followed to address the concerns in the proposal.

57. The Chairman recalled that the proposal was originally presented to the CTD and the opinions of the SPS Committee, the TBT Committee and the TRIPs Council had been sought. He noted that since the SPS Committee had not made any decision on the proposal, the proponents had decided to continue the discussion in the CTD Dedicated Session, which agreed that the proposal had sufficient support to be sent to the General Council for consideration. Before the document was sent to the General Council, some delegations had expressed the view that in future these types of proposals should first have the consensus of the specialized bodies.

58. The representative of Barbados clarified that in the CTD Dedicated Session the issue was raised in the context of identifying what measures had been implemented or were being looked at and contemplated for small and vulnerable economies. She reiterated that the proposal had been revised

and that the proposal did not change the SPS Agreement on how the Secretariat provided assistance, but sought to provide some clarity.

59. The representative of Cuba raised concerns about other outstanding proposals, including the proposal from the African Group and that presented by the United States in June on S&D (G/SPS/W/198). She noted that progress in this area had been limited by the suspension of the trade negotiations and expressed Cuba's desire to continue discussions on the subject irrespective of the outcome of negotiations.

60. The representative of Kenya agreed that there was a need for more guidance on how to handle the issue of S&D in relation to the suspension of the negotiations. She noted that it was the responsibility of the whole Committee to discuss the issue of S&D, including proposals that were on the table, and not the responsibility just of the proponents. She further noted that at the last Committee meeting the African Group had invited Members to comment on the existing proposals, but no comments had been forthcoming. The representative of Kenya encouraged Members to engage constructively in the debate and to provide suggestions on how the Committee could proceed and revise the proposals.

61. The Chairman concluded that the issue of S&D was part of the regular work of the Committee and indicated that although some of the proposals were in some way designated within the framework of the Doha Declaration, discussions could still continue at the Committee's next informal meetings as long as Members agreed. While noting the concerns of some Members on the issue with regard to the suspension of the trade negotiations, he reiterated the fact that anything which could improve the implementation of the SPS Agreement was part of the Committee's regular agenda.

VI. EQUIVALENCE – ARTICLE 4

(a) Information from Members on their experiences

62. No Members provided information on experiences related to equivalence.

(b) Information from relevant observer organizations

63. The representative of the IPPC reminded the Committee that in 2005, the ICPM had approved guidelines for the determination and recognition of equivalence of phytosanitary measures (ISPM 24).

VII. PEST- OR DISEASE-FREE AREAS (ARTICLE 6)

(a) Chairman's report on the informal meeting on regionalization

64. At the informal meeting held on 10 October, discussions focused on the revised background paper prepared by the Secretariat (G/SPS/GEN/640/Rev.1). Many Members welcomed the revision, but some had noted that their comments on the original version of the paper had not been fully reflected. A number of suggestion for clarification and editorial changes were also proposed. The Secretariat had explained that the paper was a background document for discussion. It attempted to identify common views held by Members, but was not meant to reflect all views and was not proposing any draft legal document.

65. One Member had noted that Part IV of the document now indicated that Members could also seek recognition of an area where a pest or disease had never been present and did not have to be eradicated. This Member was concerned that a certain disease might never have been diagnosed in an area but could still be present. Another Member had explained that this subject had been discussed among Caribbean Members who felt it was important to include since due to their geographical

situation, many Caribbean countries were free of many pests and diseases. They were not talking about diseases for which there were no testing capabilities, but those for which tests could be carried out to confirm a disease was not present.

66. Several Members had noted that they had proposed adding timeframes to the typical steps identified in Part IV of the document. Although the revised document made reference to the possibility of establishing timeframes in paragraph 31, this paragraph was not part of the steps. The document stopped short of actually identifying maximum timeframes, which according to some Members was desirable to avoid undue delays and improve transparency and predictability.

67. Many Members had stressed their continuing opposition to setting timeframes for the recognition process in a multilateral context, but some were willing to consider alternatives to multilateral timeframes. For example, a Committee decision could include guidance for an agreement on timeframes between the exporting and the importing Member. One Member had noted that for developing countries it was important that timelines should take into account crop seasons. This Member had also proposed that a notification to the SPS Committee should be made at the beginning and at the end of the recognition process so that the Committee would have some idea of the timeframes involved.

68. Several Members had indicated that they remained concerned about duplication in the work of the SPS Committee and that of the OIE and IPPC, a point not adequately emphasized in the document. Another Member had indicated that if the pest or disease status of an area had been recognized by an international standard-setting body, this should be taken into account by the importing country. One Member had noted that work on a standard related to regionalization was currently under way at the IPPC; this standard might be adopted at the next CPM meeting in March 2007. The Committee should closely communicate with the IPPC to avoid any inconsistencies.

69. A few Members had questioned the usefulness of Step J on the expedited process. Where previous experiences had led to confidence between authorities, this would naturally lead to more rapid exchanges and decision making. One Member had suggested that the need for inclusion of reference to an expedited process should be considered at a later point in time, after some experience with a regular procedure.

70. The OIE had reported that it had received comments on its regionalization chapter only from the European Communities; the OIE hoped that other Members would also contribute. In addition, the OIE was working on guidance on compartmentalization for avian influenza. Some OIE members were in favour of adding avian influenza to the current list of four diseases for which there was official recognition. Where there was official recognition of a disease-free country or zone, the OIE considered this as equivalent to an OIE standard. The Secretariat paper might reflect more strongly that acknowledging this official recognition should be the default point for departure, even if some Members might require additional steps.

71. The IPPC had reported that, as a result of the importance attached to it by this Committee, it had given priority to the development of a draft international standard for the "Recognition of pest-free areas and areas of low pest prevalence". This standard had been sent out for country consultation, and the IPPC had organized a series of workshops to facilitate participation and comments from developing countries on the five draft standards currently under development. The IPPC had recalled its plea for liaison between national trade and technical officials in preparing comments. These comments would be reviewed by the Standards Committee next month, and if there was agreement the draft standard would be forwarded to the CPM for possible adoption in March 2007. In addition to this work on the standard, the IPPC had established a focus group to develop terms of reference for a working group on international recognition. The Commission on Phytosanitary Measures had considered that very little information was available on the extent to

which pest-free areas were actually being used, and had requested the secretariat to undertake a survey. Based on the results of this survey, the CPM would decide how to proceed. Responses to the survey received so far were interesting and covered all regions and a good range of crops and pests.

72. One Member had recalled that in the report of the review, the Committee had committed to adopting a decision on Article 6. Several Members considered that after a long debate that had continued for 10 meetings already, Members should now make progress towards adopting a decision on this subject. They proposed transforming the background paper into a draft proposal for a formal decision by the Committee.

73. At the end of the meeting, the Chair had noted that there seemed to be an interest in continuing discussions. Members seemed to now better understand each others' views, and certain Members had indicated some flexibility in their positions. The Chair had proposed creating a group of "friends of the chair" to try to move the matter forward in more informal, concentrated discussions, but it turned out that so many delegations wanted to participate that a brief informal meeting had been held on 12 October instead. In the meantime, Members were encouraged to consult one another in smaller groups to try to bridge the differences in views.

74. At the informal meeting on 12 October, one Member reported that such consultations had taken place among several Members to discuss a possible compromise. This group had examined options for enhancing predictability and transparency and intended to continue with a view to finding a solution acceptable to all.

75. The representative of Egypt had recalled Egypt's position that international recognition should expedite the bilateral process. He agreed that whenever international recognition existed, it should serve to enhance the trust of the competent authorities of the exporting countries. He had expressed the view that the SPS Committee was well-placed to provide administrative guidance to all WTO Members on how to apply Article 6 of the SPS Agreement while leaving the technical procedures to the relevant international standard-setting bodies (ISSBs). Egypt had also expressed the view that timeframes should be established in two steps, first at a multilateral level, where the SPS Committee could agree on a provisional timeframe and secondly, at a bilateral level, with the applicable timeframe determined by both exporting and importing Members depending on the situation at hand. On the issues of transparency and undue delays, he had noted that notification to the SPS Committee should take place irrespective of the outcome of the bilateral recognition process. Finally, the representative of Egypt had stressed that there was a need for an expedited process and suggested the draft arrangement for recognition of pest-free areas and areas of low pest prevalence developed by the IPPC could form the basis of further discussion on this issue by the SPS Committee.

76. In concluding his report of the informal discussions, the Chairman observed that there was a consensus among Members to continue the discussions in an informal mode prior to the next Committee meeting on the basis of document G/SPS/GEN/640/Rev.1 and any additional comments on it. Members were requested to send any comments or documents to the Secretariat well before the meeting in March 2007.

(b) Information from Members on their experiences

77. The representative of Peru informed the Committee that the National Animal Health Service in Peru (SENASA) had made efforts to establish disease-free areas, which had consequences for trade in animal products. She noted that in implementing the SPS Agreement and using the standard guidelines of the OIE, SENASA had established a quarantine system to prevent the entry of diseases through trade and applied import requirements through 28 external control points and 20 internal quarantine departments. A national poultry health programme initiated in 2002 had permitted Peru to be declared free of avian influenza, following a series of measures that were taken for both domestic

and wild birds. SENASA had a schedule to ensure the control of diseases of economic impact for swine, especially classical swine fever (CSF), respiratory reproductive swine syndrome (PRRS), and Aujeszky disease at the national level. This initiative was supported by a project financed by the Inter-American Development Bank, which would run from October 2006 to October 2011. The project was expected to reduce the prevalence of these diseases to levels of less than five per cent, consistent with the official declaration of free areas, and lead to an increase of ten per cent in swine production.

(c) Information from relevant observer organizations

78. The representatives of the OIE and IPPC reiterated their views raised in the informal meetings on regionalization held on 10 and 12 October 2006.

VIII. TECHNICAL ASSISTANCE AND COOPERATION

(a) Information from the Secretariat

79. The Secretariat reported that since the last Committee meeting, one regional workshop had been held for the Commonwealth of Independent States and four national seminars held in Madagascar, Bulgaria, Ethiopia and Djibouti. The Secretariat had also been involved in other training events, including training organized by the Swedish International Development Agency and training on transparency obligations across WTO Agreements for Cambodia. The Secretariat welcomed delegates who were participating in the two-week specialized training course on SPS in English from 16-27 October 2006. A regional workshop would be held in Colombia, with the participation of OIE, Codex, IPPC and IICA, at the end of October 2006. This would be followed by a national seminar in Colombia. National seminars were planned in Mexico and Sri Lanka next year and the Secretariat also reported that an invitation had been received from the Ministry of Agriculture in Japan to provide training to some officials. The 2007 technical assistance plan included three regional workshops for Members in South Asia, Francophone and Anglophone Africa, and well as a specialized SPS training course to be held in French. The plan also included a special meeting on transparency and an unspecified number of national seminars provided at the request of Members. The Secretariat recalled that a strategic review of WTO technical assistance had been completed and was to be discussed in the Committee on Trade and Development on 3 November 2006 (WT/COMTD/512). Members should ensure that the enquiry points and notification authority lists provided to the Secretariat and observer organizations were correct and up to date, as various problems had been encountered when trying to invite national enquiry points, Codex, OIE and IPPC contact points to training activities organized by the WTO.

80. On recent developments in the Standards and Trade Development Facility (STDF), the Secretariat reported that the Working Group was to meet on 16 and 17 October 2006. The main item on the agenda was a medium-term strategy for the STDF for the next five years. In terms of strategy, the document emphasized a greater focus on coordination to enhance the effectiveness of technical assistance provided. The Secretariat noted with particular reference to Madagascar that national awareness was a key driver to the success of national seminars. The Secretariat also reported a number of ongoing STDF projects aimed at assessing the effectiveness of technical assistance and improving the flow of information on STDF related issues. Finally, the Secretariat would be involved in delivering an end-of project workshop under the Joint Integrated Technical Assistance (JITA) programme, which was an initiative for 16 African countries. One of the initiatives had been to strengthen the performance of enquiry points through delivery of hardware and training in terms of document handling. The project would be completed by March 2007, with a another planned workshop to look at compliance with reporting and notifications under the various WTO Agreements of relevance.

81. The representative of Paraguay provided further information on the STDF project on improving the flow of information, which began in 2005. He stated that the project was now in its final phase of implementation and was to be fully functioning by November 2006.

(b) Information from Members

82. The representative of Canada provided a summary of her country's technical assistance activities between the period January 2000 and December 2004. During this period, Canadian assistance had involved 76 projects to 59 Members, observer organizations and other countries that amounted to over CND\$10 million in the areas of information, trainings and "soft" infrastructure development (G/SPS/GEN/728).

83. The representative of the European Communities provided information on a two-week SPS seminar organized in September and October 2006 for Ecuadorian authorities, which concentrated on meeting EC requirements for fish imports. Ongoing activities included the EC-ASEAN co-operation programme, which started in 2002, with the objective to assist in the development of an Asian regional dimension and strategy for developing technical regulations, setting standards, metrology, accreditation and conformity assessment principles and practices in line with WTO and EC policies. In addition to the pesticides initiative programme (PIP) in the ACP region, estimated at 34 million euros until 2010, the European Communities was also funding a regional programme for the protection of fruits and vegetables in the Indian Ocean region for the period 2002-2008, estimated at 4.8 million euros. This involved five members of the Commission of the Indian Ocean (COI) which were also ACP countries (Comoros, Madagascar, Maurice, Seychelles and Reunion). He also provided information on a number of technical assistance activities in cooperation with observer organizations (IPPC and FAO), particularly in the phytosanitary area. With regard to the STDF, the representative of the European Communities announced it would provide financial support for the 2007 working year. He highlighted the current and planned contributions of some EC member States, including Denmark, France, Germany, the Netherlands, Sweden and the United Kingdom.

84. The Secretariat thanked the European Communities for its contributions and noted that a contribution of the United States to the STDF was in the process of being finalized.

(c) Information from relevant observer organizations

85. The representative of the International Trade Centre (ITC) reported that during this period ITC assistance had involved six projects, including projects aimed at improving fishery capabilities and the effectiveness of inspection and auditing services in Indonesia and Malaysia for fishery exports. Other ITC projects implemented over the period included the Technical Support for Improving the Standardization Quality Assurance Accreditation and Metrology (SQAM) infrastructure in Malawi. The ITC also reported that, in collaboration with ISO, it had developed a software-based checklist for the new certification tool on food safety management systems – ISO 22000:2005, which was particularly helpful to small businesses in developing countries and transition economies. In June 2005, the ITC and the Commonwealth Secretariat jointly organized an interactive follow-up workshop aimed at exploiting options for developing countries in influencing and meeting international standards (G/SPS/GEN/740).

86. The representative of the IPPC drew attention to document G/SPS/GEN/730 which listed its recent and forthcoming technical assistance activities.

87. The representative of Codex recalled that the Codex Alimentarius did not directly offer technical assistance but did so through the Food Safety and Control Unit of the FAO and WHO. A comprehensive listing of its activities in the last 12 months could be found in G/SPS/GEN/720. For 2007, a total of 138 Members were eligible for support within the framework of the Codex Trust Fund

and the deadline for application was the end of October 2006. The Codex had been developing its capacity to communicate more effectively with its Members by improving the functionality of its website and a number of other activities were planned in the coming year to enhance communication between Codex members, including an e-learning course.

IX. ISSUES ARISING FROM THE REVIEW OF THE OPERATION OF THE SPS AGREEMENT

(a) Chairman's report

88. The Chairman reported on the informal meeting held on 11 October 2006. Following an introduction by the Secretariat of the Compendium of Documents Related to Issues Arising from the Second Review of the Implementation of the SPS Agreement (G/SPS/GEN/722), Members had considered a number of issues raised not only in the documents listed in the Compendium but also in the Report of the Review of the SPS Agreement of June 2005 (G/SPS/36) and in relevant submissions predating that report.

89. These could be grouped under four broad subject areas: (1) Transparency/clarification of terms; (2) Relationship between the SPS Committee and International Standard Setting Bodies; (3) Undue delays, and (4) Consultations under Article 12.1, Use of Good Offices, Resolution of Trade Concerns.

90. With regard to transparency, in view of the upcoming special meeting for Enquiry Points scheduled for October 2007, a number of delegations supported according priority to this area in the first part of next year and had asked the Secretariat to circulate a questionnaire to Members. This questionnaire could, among others, focus on obstacles to establishment and functioning of Enquiry Points, difficulties faced in preparing and responding to notifications and possible improvements to notification procedures. Consideration of the responses to the questionnaire would facilitate preparations to ensure a results-oriented special meeting. One delegation had also suggested to have a statistical analysis of SPS notifications, as had been undertaken by China in 2003.

91. The representative of the OIE had underlined the need for greater clarification with respect to references to specific OIE standards in SPS notifications of measures, as these sometimes contradicted OIE standards while claiming to follow them.

92. The delegation of Canada had proposed that the Committee work towards a clarification of the terms "measures" and "regulations" as contained in the SPS Agreement. Another delegation considered favourably this proposal, indicating that using different terminology to refer to the same concept could lead to uncertainty.

93. On the relationship between the SPS Committee and International Standard-Setting Bodies, the delegation of New Zealand had referred to its substantive document on this high priority issue. It contained specific questions to guide the Committee's work. With a view to making concrete progress, one delegation had suggested to start by focusing on questions 1,3, and 5 contained in that submission.

94. Under the third area on undue delays, Colombia had suggested that the Committee accord priority to consider this important cross-cutting issue and monitor instances of "undue delays" through notifications from Members. Several delegations had suggested that Members come forth with specific examples of undue delays, well in advance of upcoming Committee meetings, with a view to preparing the ground for better targeted discussions.

95. With regard to consultations under Article 12, the delegation of Brazil, referring to paragraph 16 of the Compendium prepared by the Secretariat, had clarified that Brazil was in favour of enhancing the use of the Committee's mechanism for voicing specific trade concerns, not changing it.

96. One delegation had pointed out that sometimes "resolved" trade concerns did not appear as such in the Committee's documentation. The Secretariat clarified that the accuracy of the compilation of specific trade concerns found in G/SPS/GEN/204 and its revisions depended on the information provided by Members.

97. A number of delegations had supported the further consideration of how the use of the good offices of the Chair could complement other efforts in a timely resolution of trade problems. The Secretariat had recalled that the good offices of the Chair had been used in the past and further information on these from Members concerned or the Secretariat could help facilitate further discussion on this topic.

98. One delegation, referring to a Chilean proposal, had suggested that the OIE and the IPPC provide information on their dispute settlement procedures. The representative of the OIE had referred to a recent OIE submission on this topic (G/SPS/GEN/731).

99. Overall, there had been recognition that Members had come up with a range of useful suggestions, both in numerous documents circulated and in the Committee's Report on the Review of the Agreement. Some of these would require a substantive amount of further discussions while others could possibly be addressed more rapidly. The challenge was to organize the Committee's work and start taking actions accordingly. Therefore, the Committee had asked the Secretariat to draft possible next steps under each of the four areas identified, taking into account the comments made during the informal meeting. The Chairman concluded his oral report by noting that the Secretariat had responded to this request and had circulated a draft paper entitled "Issues Arising From the Review of the SPS Agreement – Proposed Next Steps" for consideration by the Committee with a view to identifying concrete steps for the coming months.

100. With regard to the draft paper on "Proposed Next Steps", several Members were concerned that all of the issues identified in the Committee's report on the Review (G/SPS/GEN/36) were not included, and in particular that sufficient priority was not given to moving ahead on the issue of Regionalization. Some Members also indicated that they could not endorse any major decisions without consultations with their respective national authorities. The Secretariat clarified that the paper on the proposed steps was not a formal document and did not entail any change in document G/SPS/GEN/36. Rather, the paper simply proposed a way for the Committee to move forward on the issues arising from the Review. The Secretariat was requested to revise the proposed next steps paper, taking into account the views of Members, to serve as a basis for an informal meeting on the issues arising from the Review that would immediately precede the March meeting of the Committee.

101. At the same time, the Committee agreed to move ahead with respect to the issue of transparency, and requested the Secretariat to circulate a questionnaire regarding difficulties Members faced in the effective operation of Enquiry Points and Notification Authorities. Members were requested to make suggestions for addressing these difficulties, and others with respect to the implementation of transparency provisions of the SPS Agreement, and provide this information for consideration in an informal meeting on transparency to be held in March.

X. MONITORING OF THE USE OF INTERNATIONAL STANDARDS

(a) New issues

102. No Member raised any new issue under this agenda item.

(b) Issues previously raised

103. No further information was provided on issues previously raised.

(c) Information from relevant observer organizations

104. The representative of the Codex Alimentarius reminded the Committee that last year the Codex Alimentarius Commission decided to abolish the procedure regarding the notification of acceptance by Members on the use of Codex standards. The main reasons for the abolition were that it created a dichotomy between those Codex standards submitted for acceptance by Codex members and those that were not actually used substantively by Codex members. He noted that there had been ongoing discussion as to which new procedure or measures or instruments could be introduced to address the wish of Codex members to monitor the use of Codex standards. One proposal to this effect had been that the regional Codex coordinating committees would have a standing agenda item regarding the use of Codex standards and related texts at the national and regional level. The Codex secretariat had sent a circular letter to all Codex members, that contained a questionnaire related to: (1) the use of Codex standards and related texts at the national and regional level; (2) non-use of Codex standards and related texts; (3) any difficulties encountered by Codex members in using Codex standards and related texts; (4) relevance of Codex standards as a basis for harmonization; and (5) any other health and trade problems related to standardization (G/SPS/GEN/727).

XI. TRANSITIONAL REVIEW UNDER PARAGRAPH 18 OF THE PROTOCOL OF THE ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA

105. The Chairman recalled that in accordance with Paragraph 18 of the Protocol of Accession of the People's Republic of China, the SPS Committee was to undertake an annual review for eight years of the implementation by China of the SPS Agreement. He opened the floor for comments or questions from Members.

106. The representative of the United States recalled that in its submission for the 2006 transitional review (G/SPS/GEN/594), the United States had presented China with written questions covering a number of areas, including (1) China's BSE-related bans on US beef and other low-risk products; (2) China's zero pathogen requirements on meat and poultry products; (3) inappropriate avian influenza restrictions on US poultry; (4) inadequate regulatory transparency; (5) China's requirement for annually updated lists of approved fruit packaging facilities; (6) China's non-recognition of the US National Fruit Fly Trapping Programme (NFFTP); and (7) China's non-recognition of all types of materials for use in food packaging and food-contact materials sold in the market. The themes underlying these questions continued to be the same as those underlying the submissions made at the three previous transitional reviews. As shown in documents G/SPS/W/126, G/SPS/W/139 and G/SPS/W/153, the United States had consistently raised concerns regarding (1) China's failure to notify numerous SPS measures; (2) the lack of transparency in China's application of SPS measures; and (3) China's imposition of requirements that appear to have no basis in science. These concerns were most evident in two issues raised in the United States 2006 submission, namely China's BSE-related bans and fire blight restrictions.

107. The representative of the United States further noted that the United States' strongest concerns involved China's BSE- and avian influenza-related bans on US beef and poultry and their products, respectively. China had provided virtually no information to the United States on the basic regulatory framework under which it would make science-based decisions to consider the US request for China to lift these bans. Dozens of countries had lifted their bans on US beef and each of them had, at a minimum, provided the United States with a detailed explanation of the regulatory steps necessary to make a decision on the US request to lift the ban. Since China imposed the bans on US beef and poultry, it had still not offered any explanation of its actions or on the necessary regulatory steps for

lifting the bans. The United States was also concerned that China's measures were not based on relevant risk assessments. The United States requested China to adhere to the science-based principles contained in the OIE guidelines when making related regulatory decisions regarding imports of US cattle and beef products and US poultry and poultry products. The United States also urged China to take steps to ensure that its regulatory authorities quickly addressed this problem.

108. The representative of the United States also expressed concern that China continued to enforce technically unattainable zero-tolerance requirements for certain pathogens such as salmonella on imports of meat and poultry products from the United States. The Standardization Administration of China (SAC) and the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) National Standard on Fresh and Frozen Poultry Products (GB16869-2005) on these pathogens, effective from 1 January 2006 appeared to be inconsistent with the Codex Alimentarius (Codex) guidelines. The United States was also concerned because the tolerance requirement applicable to imports did not appear to be enforced against domestic products. However, China had acknowledged the need to revise domestic regulatory controls in this area and the United States urged China to immediately remedy this situation.

109. Another important concern of the United States related to China's hygienic standards for food contact materials. The representative of the United States expressed concern that under the National Standard GB 9685-2003, issued by China's Ministry of Health (MOH), China had approved only 65 types of materials for use in food packaging and food-contact materials sold in its market. Thousands of these materials were currently permitted for use in food-contact materials in the United States, Europe and Canada. The United States further noted that these products already existed in the Chinese stream of commerce and, if not permitted, could lead to significant economic losses for US and other producers/suppliers. While the United States appreciated China's many timely amendments to G/SPS/N/CHN/42 on solid wood packaging materials, the United States still urged China to move quickly and approve food-contact materials not previously approved in China or by foreign regulatory authorities.

110. On the issue of regulatory transparency, the United States was concerned about the number of SPS measures that China enforced against US products without notification to the WTO for members' comments prior to adoption and implementation. The United States had identified over 20 of these measures issued between 1 July 2005 and 30 August 2006. Some of these measures implemented new registration requirements, others set new safety standards for residues, while others invoked new procedures for inspection or identified new quarantine pests. Some of the measures appeared to be inconsistent with previous standards. Although the United States appreciated the fact that many of the measures were now available on the Chinese Government website, they had invariably raised the cost of entry into China for US producers, particularly due to lack of the opportunity to review and assess them in advance. However, the United States recognized the strides China had made in the past year to more consistently implement its WTO obligations in this regard. The United States also noted that China had now overtaken many Members in the WTO with its 99th notification of a new SPS measure made to the Secretariat on 28 August 2006, and encouraged China to continue to make progress on notification.

111. In its written questions, the United States had also expressed ongoing concerns on several other matters, which had been raised previously in the Committee, including: (1) the annually updated lists of approved fruit packing facilities requirement; (2) zero pathogen requirements on meat and poultry products; (3) inappropriate avian influenza restrictions; and (4) non-recognition of the National Fruit Fly Trapping Programme (NFFTP). The United States recognized the advances made by China during the Phytosanitary Bilateral Technical meeting in Xi' during the week of 4 September 2006 (in which China recognized the NFFTP of the United States and eliminated the requirement of an annually updated list of US production orchards that were approved to ship fruit to China). The United States however, noted that it would still like to see more progress in these areas,

particularly in the elimination of additional requirements for an annually updated list of approved fruit packing facilities.

112. The representative of the European Communities thanked China for its commitment to the transitional review mechanism (TRM) and expressed appreciation for the efforts deployed by China to answer the questions posed during the previous TRM exercise. The European Communities noted with satisfaction the increased cooperation between China and the European Communities on SPS issues and mentioned the increasing number of contacts and the establishment of formal cooperation mechanisms aimed at promoting increased trade flows under safe conditions. However, the European Communities would welcome further improvement in the currently limited access to the Chinese market for EC food products. The European Communities also noted that in contrast to the large number of notifications made as part of the WTO accession process, there has been a sharp fall in the number of notifications by China under the SPS Agreement over the past year. Clarification by China on this point would be welcome by the European Communities.

113. The representative of the European Communities indicated two market access areas where enhancement of cooperation was needed: removal of the current BSE-related ban on certain ruminant derivative products from the European Communities and a greater flexibility on the approval procedure for listing of EC establishments eligible to export products into China.

114. At previous Committee meetings, the European Communities had welcomed the compliance of China's import policy for EC bovine semen and embryos with the World Organization for Animal Health's (OIE) standards on BSE. The European Communities encouraged China to apply OIE standards in accordance with its obligations under Article 3 of the SPS Agreement. The representative of the European Communities noted that China was quick to apply international standards when problems arose, but often delayed far beyond these guidelines when lifting the measures. The European Communities also considered the very slow progress in negotiations of certain bilateral protocols between China and EC member States as a key factor hampering trade in agricultural products between the European Communities and China. The European Communities urged China to follow its obligations under the SPS Agreement, including obligations to maintain imports restrictions only if they were scientifically based. In this regard, the European Communities invited China to implement the OIE standards, accelerate the negotiations and to avoid undue delays.

115. The European Communities noted that China's ban on certain animal products from EC member States was based on a single isolated and completely controlled incident of contamination with dioxins. The European Communities believed that in the absence of proper scientific justification, the SPS Agreement gave no basis for China to maintain the ban. In addition, China's 100 per cent testing import requirements on dairy products for *E. Sakazakii* were not scientifically based and not proportional to the risk in accordance with provisions of the SPS Agreement. In this regard, the European Communities asked China to respect the provisions of the SPS Agreement and in particular Article 2.2.

116. The representative of Brazil noted that while Brazil acknowledged the considerable strides made by China with regard to SPS issues, it shared the concerns of the United States and other delegations regarding the extremely rigid levels and technically unattainable zero-tolerance requirements for certain pathogens, such as salmonella on imports of meat and poultry products, which China still continued to enforce. Brazil also requested China to make all possible efforts to develop and improve on the transparency process regarding notification of their regulations so that Members could have the necessary time to assess the measures.

117. The representative of Australia expressed appreciation for China's efforts since joining the WTO in 2001 to develop and improve its quarantine and inspection systems and to ensure that quarantine procedures were based on risk assessment and sound scientific evidence. Australia valued

its strong relationship with China and continued to make efforts to strengthen communication and cooperation with China on SPS matters. Australia understood the challenges China faced and noted the steady progress made by China in the development of SPS measures consistent with the provisions of the SPS Agreement. Australia particularly appreciated recent work by China to develop an import protocol for Australian citrus, which was now being implemented. Australia was engaged in a number of bilateral SPS issues with China and looked forward to an early resolution of these issues to allow bilateral trade to expand for the mutual benefit of both Members. Australia further encouraged China to develop measures that were based on scientifically sound risk assessments and harmonized with international standards, while also ensuring consistency and transparency in its development and administration of SPS measures, at both a national and provincial level, as well as conformity with notification obligations under the SPS Agreement. Australia further urged China to make sure that adopted measures were reviewed appropriately to ensure that they were the least trade restrictive possible.

118. The representative of Australia further observed that Australia had been pleased to offer a significant amount of technical assistance to China, worth about US\$2 million, to assist development of China's SPS capabilities and systems. A recent example was the provision of SPS master class training in Canberra for 19 of China's quarantine officials in May 2006.

119. The representative of China thanked the United States, the European Communities, Brazil and Australia for their comments and questions. He stated that China had taken note of the comments from Brazil and Australia and were prepared to continue the constructive dialogue with them on any issue of bilateral interest in the SPS area. With regard to questions from the European Communities, China regretted the fact that due to late submission of document G/SPS/W/208 (on 9 September 2006), China had had difficulty in processing these questions in time and requested the European Communities to respect the basic rules and procedures on the handling of general item documents before the SPS Committee to avoid delays in dealing with their concerns. China further noted that as to the specific questions mentioned by the representative of the United States, some progress had already been made through bilateral discussions and negotiations prior to the Committee meeting. However, he provided the following information and responses to the comments and questions raised by the United States under the framework of Paragraph 18 of China's Protocol of Accession.

120. In relation to transparency, by March 2002, prior to its accession to the WTO, China had notified 140 SPS measures promulgated before its accession to the WTO. After its accession, China had circulated 100 notifications to the WTO Secretariat, which provided Members with a comment period of 60 days calculated from the date of circulation of the notification by the Secretariat, as requested in China's proposal on transparency (G/SPS/W/131 and corrigendum). The Ministry of Commerce of the People's Republic of China (MOFCOM) had established mechanisms to enhance coordination among ministries and agencies responsible for SPS measures and had already organized various meetings, workshops and training courses on notifications for officers from relevant ministries and agencies. These actions had greatly improved the SPS measure notification process in China. Moreover, MOFCOM, together with AQSIQ, had drafted and adopted guidelines on notification of SPS measures.

121. Regarding BSE-related international standards, the representative of China recalled that in previous bilateral talks on the OIE standards code and from a huge number of statistical analyses, China had already pointed out that there existed considerable loopholes in the US prevention and control project, tracing system and implementation of a feedstuff ban. This provided evidence that the United States was not qualified under OIE standards as a BSE risk controllable country. China further noted that at present, to prevent the risk of BSE entering China, it only allowed the importation of boneless beef from cattle under 30 months old, which meant that the Chinese authorities needed to be convinced that beef other than boneless beef from cattle under 30 months is safe from BSE. China nonetheless indicated its willingness to continue to discuss the issue bilaterally at a technical level.

122. Concerning pathogen requirements, China indicated that it had taken international standards into account. China had no criteria to require zero pathogens on fresh and frozen poultry products but had considered that it was common knowledge that salmonella was harmful to human health, and in discussions on food safety goals in the Codex Committee on Hygiene, most Members believed that salmonella should not be detected in food products. China further observed that it was a legal requirement in many countries that salmonella should not be detected in fresh or frozen poultry. The risk assessment report on salmonella in poultry by the Joint FAO/WHO Expert Meetings on Microbiological Risk Assessment (JEMRA) pointed out that data on exposure levels of salmonella was insufficient. In China, both domestic and foreign-produced poultry had to meet the same pathogen standard, as such China was in compliance with its obligations under Article 2.3 of the SPS Agreement.

123. In relation to avian influenza in poultry products from Pennsylvania in the United States, China drew Members' attention to OIE requirement that all H5 avian influenza cases, high or low pathogenic, should be reported to OIE, and China as an importer of US poultry should have also been notified of the outbreak in Pennsylvania. China noted that the United States had not notified them until repeatedly requested to do so. China justified the ban imposed on poultry products from the state of Pennsylvania in accordance with the regionalization principle of the SPS Agreement, as China could still not identify poultry products that originated from an epidemic area in the United States. Nonetheless, China indicated its intention to hold further bilateral discussions with the United States in order to ensure that poultry entering China was safe from avian influenza.

124. Regarding the issue of notification, China further noted that among the 13 measures which the United States claimed it had not notified to the WTO Secretariat, some were revised according to international standards where no substantial changes had occurred while other were aimed at regulating internal trade of products.

125. The representative of China concluded by expressing thanks to Members for their cooperation and understanding and hoped that his statement had covered most of the comments and questions raised by the United States and that the information he had provided was useful and helpful to Members. China also expressed its desire for closer cooperation with all Members of SPS the Committee on issues of mutual interest and in the implementation of the SPS Agreement.

126. The Chairperson thanked the representative of China for the thorough response and asked if any other Member wished to take the floor. With regard to the procedural aspects of the review, he noted that last year China had requested that no reference should be made to any particular procedure when handling the review. Based on this, questions were not invited from Members, which was likely one of the reasons for the late submission of questions from the European Communities.

127. The representative of China agreed that questions should not be invited from Members, but with the Chairman but noted that during the bilateral meeting with the European Communities the explanation given by the European Communities for the late submission of the questions was not related to the procedural aspect of the review. China further noted that due to the complexity of the questions from the European Communities, it was going to take China a lot of time and effort to prepare the responses. China, nonetheless, appreciated clarification from the European Communities.

128. The representative of the European Communities noted that it had not at anytime suggested that it expected China to respond to their questions during this meeting. The European Communities, however, expected China to review the questions and provide them with a response at a time that China deemed appropriate. The European Communities will be very pleased to receive China contribution.

129. In concluding, the Chairman stated that he would make a short factual report on the transitional review to the Council for Trade in Goods, and attach to this the relevant section from the report of the Committee's meeting (G/SPS/43).

XII. MATTERS OF INTEREST ARISING FROM THE WORK OF OBSERVER ORGANIZATIONS

130. On behalf of the FAO, the Secretariat drew attention to a questionnaire related to an evaluation of the FAO being undertaken by a team of independent evaluators. The evaluators were interested in responses and inputs from delegates to the Committee who were actively involved in this field. This evaluation was different from another evaluation of the IPPC, in which a number of Members had been requested to meet the evaluators on the margins of the Committee meeting.

131. The representative of IICA reported on the SPS Initiative for the Americas, which had supported the active participation of its members to 13 consecutive meetings of the SPS Committee since 2002. For this meeting, the participation of capital-based experts from 26 countries was facilitated. In June 2006, IICA held a joint follow-up session of the first specialized trade policy course on the SPS Agreement course with the Secretariat. IICA also facilitated a three-day workshop in August 2006 in Honduras for its National SPS Committee, and provided technical assistance to Paraguay within the framework of the STDF-19 Project. The representative of IICA reported that a number of activities had been carried out in collaboration with the USDA, FAO, IPPC, OIE and Codex (G/SPS/GEN/724).

132. The representative of OIE drew attention to its documents on the relationship between OIE standards and invasive alien species (G/SPS/GEN/732) and on the OIE dispute mediation process (G/SPS/GEN/731). He noted that the Terrestrial Code Commission had met to review the current chapters on FMD, Bluetongue, BSE, classical swine fever, avian influenza, equine influenza, and many other diseases. In collaboration with IICA and with some STDF funding, the OIE had developed a *Performance, Vision and Strategy Instrument* (PVS) for the evaluation of the veterinary services of OIE member countries. So far 15 countries had indicated interest in having their veterinary services evaluated.

133. The representative of the IPPC drew attention to document G/SPS/GEN/729, which summarizes the IPPC standard setting work programme. 27 ISPMs had been adopted to date. He noted that there had been a revision of ISPM No. 2 on pest risk analysis; standards for the recognition of pest-free areas; phytosanitary treatment for regulated pests; de-barked and bark-free wood; and the establishment of areas of low pest prevalence for fruit flies. In response to IPPC Members needs, four explanatory documents for IPPC standards had been developed – guidelines for wood packaging, pest reporting, the use of radiation and guidelines for phytosanitary import regulatory systems. The IPPC strategic planning group met in October and discussed *inter alia* the new draft business plan with revised strategic goals.

134. The representative of the Codex highlighted recent developments, in particular the major outcomes of the last session of the Codex Alimentarius Commission that met in July 2006 (G/SPS/GEN/727). To address the increasing workload, the Codex Committee on Food Additives and Contaminants was split into two – a Committee on Food Additives and a Committee on Contaminants. A new subsidiary body was also established to work on antimicrobial resistance in food-borne pathogens. He further noted that the budget shortage of FAO and WHO had led to a reduction in the number of JECFA meetings from two to only one per year, and this was likely to affect the work of the Codex on food additives and contaminants, which depended on risk assessments by JECFA. With the admission of Belarus as its 174th member in September 2006, Codex work now covered 99 per cent of the world's population. The text of the Codex Alimentarius was now available only electronically due to funding problems.

135. Several Members expressed appreciation for the work of the international organizations. Some noted, in particular, the work of IICA and the USDA in strengthening national services for plant and animal health and for the opportunity for many delegates to participate in the SPS Committee meetings. The representatives of Brazil, Cuba and Belize expressed gratitude for the follow-up to the first specialized training course on SPS measures, which had provided them with an opportunity to share experiences on the challenges that they encountered in the implementation of the action plans that had been elaborated during the two-week course.

136. The representative of the European Communities expressed appreciation for the international organizations, especially for their work in strengthening the capacities of developing countries. He encouraged Members to support the work of these organizations by providing resources either directly through the parent organizations (FAO and WHO) or indirectly through mechanisms such as the trust funds or the STDF.

XIII. OBSERVERS – REQUESTS FOR OBSERVER STATUS

137. The Committee agreed to invite those organizations which had been granted observer status on an ad hoc, meeting-by-meeting basis to participate in its next meeting. The Committee also decided to invite all observer organizations to participate in its next informal meetings.

138. The Committee was unable to reach any decision with regard to the requests for observer status from the Office International de la Vigne et du Vin (OIV), from the Asian and Pacific Coconut Community (APCC), and from the Convention on Biodiversity (CBD), and agreed to revert to this matter at its next meeting.

XIV. CHAIRPERSON'S ANNUAL REPORT TO THE COUNCIL FOR TRADE IN GOODS

139. The Chairman announced his intention to make a brief, factual annual report on the activities of the SPS Committee in 2006 for consideration by the Council for Trade in Goods. The report to the Council on Trade in Goods was subsequently circulated as G/L/794.

XV. OTHER BUSINESS

Concerns related to the EC Novel Foods Regulation

140. The representatives of Peru, Ecuador and Columbia reiterated concerns relating to EC Regulation 258/97 on Novel Foods (G/SPS/GEN/733 and G/SPS/GEN/735). They considered that the regulation constituted a non-justified barrier to trade in these products as it was not flexible and made no distinction between novel (GMO) foods and traditional foods with no known risks. They noted that exotic products originating from Latin America were not the result of any type of genetic modification but rather formed part of the biodiversity of the region and were consumed traditionally. Also there were inconsistencies in the way this regulation was applied throughout the European Communities. The European Communities had not considered the fact that many of the traditional products had been marketed in a number of countries with very strict sanitary standards as they posed no health risks to consumers.

141. The European Communities was requested to promptly review Regulation 258/97, and to exclude from its scope of application exotic traditional products resulting from biodiversity. The European Communities was also encouraged to take into account scientific assessments and relevant evidence from other countries and competent international organizations when risk assessments were made, and to establish different procedures for foods of known risk and no known risk in the European Communities. The European Communities was also requested take into account the history of the product, the consumption patterns and traditional knowledge relating to its use and preparation,

so as to provide for greater flexibility in the application of the regulation and facilitate the entry of exotic traditional products into the European market.

142. The representatives of Bolivia, Brazil and the Philippines shared the concerns of Peru, Ecuador and Columbia. The representative of the Philippines highlighted the fact that the regulation could become an unjustified non-tariff barrier to the EC market in view of the unclear technical distinction between these products and other products. He expressed hope that progress would be made on the issue and a mutual solution found as soon as possible.

143. The representative of the European Communities reminded the Committee that the issue had been discussed in the SPS Committee on previous occasions and there had been various exchanges of communications between the Members concerned. He acknowledged the problem with traditional products, which were not in the EC market prior to 1997 and noted that the regulation was not discriminatory as EC producers had to undergo similar risk evaluations. He noted that nonetheless the European Communities imported an enormous volume of foods and vegetables. He reiterated the request that the Members concerned submit data on the volume of trade and risk assessments carried out in other developed countries. The representative of the European Communities indicated that the EC Commission was putting forward a new proposal that addressed the genuine concerns of Members. A public consultation had been held on the matter and the European Communities appreciated the contributions from the concerned Members.

Implementation of Article 5 of the SPS Agreement

144. The representative of Columbia reported on the establishment of a risk analysis and international affairs group, and of procedure for the preparation of risk analysis for plant pests and animal diseases (G/SPS/GEN/734).

US restrictions on imports of wooden Christmas trees

145. The representative of China recalled its concern regarding US restrictions on imports of wooden handicrafts from China. Although some progress had been made following bilateral consultations, China was still concerned that the US restrictions were disproportionate and not necessary. While the United States allowed the importation of manufactured items which had been heat-treated or fumigated with methyl bromide, since the United States detected beetles in wooden trees, no information had been provided to China. He requested the United States to provide details of the enterprises that failed to meet the US quarantine requirements. China indicated that China had adopted IPPC standards to treat the wooden handicrafts and therefore expected the United States to accept the Christmas trees, or to identify alternative procedures so that Chinese enterprises knew how to meet the US requirements.

146. The representative of the United States indicated that the measures imposed on the importation of certain manufactured wood items (including artificial Christmas trees with bark attached) from China were imposed after no response was received for a requested plan of action to address the issue. She noted that manufactured wood items that were heat-treated or fumigated with methyl bromide and that had their bark removed were not subject to the import restriction. Progress had been made during the bilateral technical discussions in September 2006 and the United States looked forward to receiving China's accreditation proposal for fumigation and heat treatment of wood handicrafts from China.

Creation of a food safety agency

147. The representative of Panama informed the Committee of the creation of the Panama Food Safety Authority, which had established import procedures for foodstuffs set out by Decree Law 11

(G/SPS/N/PAN/47). To optimize the efficiency of the inspection and import services in connection with human health, animal health and plant health the services had been consolidated into a public entity with an autonomous technical and scientific status. With the creation of a single Panamanian authority for food safety, Panama hoped to achieve a greater level of cooperation and consultation among Government offices working in this field. The new single agency offered a number of advantages, including: the clearance of imported foodstuffs by a single body; elimination of double inspection by the Ministries of Health and Agriculture; expeditious, automatic and costless registration and inspection of foodstuffs; removal of the Ministry of Health register; no requirement of import licenses for food by the Agriculture Quarantine Directorate; faster import approval through prior compliance with sanitary requirements; the publication in the official gazette of health requirements; permanent staff at the port of entry to check and clear consignments. Panama had notified the draft general regulation for this new authority in 3 October 2006 (G/SPS/N/PAN/48). This initiative by Panama was part of its efforts to adjust the health system so that it met international requirements and the challenge of globalization.

Guatemala's restrictions on poultry imports

148. The representative of Mexico reported that since the issue was raised in March 2005, Mexico had taken various measures at bilateral level to reach a solution. However, Guatemala was still in breach of its obligation under Articles 5 and 6 of the SPS Agreement. The representative of Mexico requested Guatemala to suspend the restrictions imposed on Mexican poultry imports.

149. The representative of Guatemala indicated that a meeting of the technical bodies of both Members was to be held on 17-18 October 2006, where an analysis of the situation would be made. At the meeting, the health situation of both countries, domestic quarantine measures and the situation regarding avian influenza were to be reviewed. He expressed hope that the meeting would enable technicians from both parties to reach a satisfactory solution.

Information from the Dominican Republic

150. The representative of the Dominican Republic stated that the Dominican Republic was to hold a simulation of an avian influenza outbreak on 25 October 2006, and he invited Central American Members to observe. In addition, referring to the suspension of imports of semen from the United States and Canada as of November 2005, he informed the Committee that the first imports from Canada had recently been permitted. The Dominican Republic was revising protocols with other Members, in particular the United States, so as to allow imports of this animal product.

XVI. DATE AND AGENDA FOR NEXT MEETING

151. The next meeting of the Committee was tentatively scheduled for 7 – 9 March 2007, with informal meetings scheduled for 5 – 6 March 2007. **The meeting dates have subsequently been changed: the regular meeting of the Committee will be held on 28 February and 1 March, preceded by informal meetings on 26-27 February 2007.**

152. The representatives of Canada and of Japan suggested that the Committee revert to the previous practice of the regular meeting beginning on Wednesday mornings, preceded by one or two days of informal meeting if necessary. The representative of Japan and of the United States also suggested that multiple issues could be taken up in an informal meeting and the period for informal meetings shortened.

153. The Committee agreed on the following provisional agenda for its next meeting.

PROPOSED AGENDA FOR MEETING OF 28 FEBRUARY-1 MARCH 2007

1. Adoption of agenda
2. Activities of Members
3. Specific trade concerns
 - (a) New issues
 - (b) Issues previously raised
 - (c) Concerns with commercial and private standards
 - (d) Consideration of specific notifications received
 - (e) Information on resolution of issues in G/SPS/GEN/204/Rev.7
4. Operation of transparency provisions
 - [(a) Report on the informal meeting]
5. Implementation of special and differential treatment
 - (a) Report on informal meeting
 - (b) Other matters relating to S&D
6. Equivalence – Article 4
 - (a) Information from Members on their experiences
 - (b) Information from relevant observer organizations
7. Pest- and Disease-free areas – Article 6
 - (a) Report on informal meeting
 - (b) Information from Members on their experiences
 - (c) Information from relevant observer organizations
8. Technical assistance and cooperation
 - (a) Information from the Secretariat
 - (b) Information from Members
 - (c) Information from observers
9. Issues arising from the Review
 - (a) Report on informal meeting
10. Monitoring of the use of international standards
 - (a) New issues
 - (b) Issues previously raised
11. Matters of interest arising from the work of observer organizations
12. Observers – Request for observer status
13. Election of Chairperson
14. Other business
15. Date and agenda of next meeting

154. The following deadlines are relevant for the next meeting:
- (i) For identifying new issues for consideration under the monitoring procedure AND for requesting that items be put on the agenda: **15 February 2007**
 - (ii) For the distribution of the airgram: **16 February 2007.**
-